

## **UMA Transition Fact Sheet**

**April 2009**

### **What did the UNT Health Board approve regarding UMA?**

At the April 23, 2009 UNT Health Board meeting, a decision was made regarding the use of UMA that affects all current UMA and UNT Health employees. Beginning September 1, 2009, current UMA employees will be employed by the UNT Health Science Center.

### **Why did the Board decide to transition employees from UMA to UNTHSC?**

Here are the key issues:

- There is a significant operating cost associated with employing people through UMA. Basically, UNT Health has two separate operational infrastructures, one for UMA employees and one for the Health Science Center employees. UNT Health contracts with an outside company (Administaff) to manage UMA administrative services. By eliminating this duplicate structure and having all employees work under one organization, there will be an initial cost savings of almost \$400,000 in the first year. Savings should be greater in subsequent years after transition costs are covered.
- Having everyone employed by the Health Science Center ensures consistent employee benefits, job titles, pay structures, and job descriptions across the organization.
- Because everyone will be employed by the Health Science Center, all of UNT Health will have the legal advantages afforded to State agencies.
- If this change had not occurred, the UMA retirement plan was likely to require contributions from all employees in order to continue to be a qualified retirement plan under the IRS Code.

### **How will this affect current UMA employees?**

- Current UMA employees will become new Health Science Center employees.
- As new employees, UMA years of service and accrued sick time will not transfer. However, the six-month probationary period for new Health Science Center employees will be waived for transferring UMA employees.
- UMA employees will be paid for any unused vacation time as of August 31, 2009. As new Health Science Center employees, they will not be eligible to use paid vacation time for 6 months after their start date unless they have at least six months of documented state of Texas service. UMA employees that are planning a vacation from September – February 2009 should consult with their supervisors about the possibility of using unpaid leave.

- There is a 90-day waiting period for health insurance for new HSC employees. In order to avoid a break in health insurance coverage, UNT Health will pay the current employer contribution toward COBRA coverage for employees transferring from UMA to UNTHSC and agreeing in writing to work for UNTHSC during that 90 day period. Employees will have responsibility for signing up for COBRA coverage and paying the employee share.
- Current UMA employees will receive the same benefits and holiday time as their UNT Health peers employed by the Health Science Center.
- Health Science Center employees are required to contribute approximately 6 percent of their gross income to their State retirement account. Although UMA employees' gross pay will remain the same, this retirement investment is likely to result in lower "take-home" pay.
- UMA employees will become immediately vested in their 401(k). These funds can be rolled over to another retirement account; representatives from America's 401(k) will be available to answer employee questions and assist with the rollover.
- Additional information related to the transition (orientation for transferring UMA employees, benefit information, etc.) will be forwarded in the coming weeks.
- Any UMA employee that would like to discuss his or her specific circumstances may contact the UNTHSC Human Resource Services office at 817-735-2690.